

Guide to Government Funding

This guide has been developed to provide a framework in which to consider projects, and to clarify some terms and strategies in the government funding process.

FUNDING SOURCES

There are three sources of government funding: the **city**, **state**, and **federal** governments.

In each case, there is funding available from the following sources:

- 1) Member item [member gives from her/his own budget allocation]
- 2) Legislative budget
- 3) Executive budget

Member items are usually for smaller sums of money, in the range of \$1,000 to \$10,000. The legislative budget offers the most flexibility as success can focus on one strong advocate or through building consensus. The executive budget is usually the most difficult to get into, but holds the best guarantee of surviving the budget process and possible executive vetoes.

BUILDING A STRONG REQUEST

When you think about your requests, it is helpful to have a general understanding of the two types of funds available: **capital funds** and **expense funds**. Definitions and examples of capital and expense projects are attached. For FIT, there are more options and a stronger track record in pursuing capital funds, but expense funds are not out of reach. At the City and the State, it is easier for the college to get capital funds. With the federal government, expense funds are easier. Decisions on where to target requests will be made based on the content of each proposal.

Please remember that for government funding requests, **projects which can demonstrate economic development outcomes are more successful**. Part of the case made for the Blass Center for Innovative Design is an economic development argument, along these lines:

The Blass Center will be the only place in America teaching the new computerized knitwear design and production management techniques which are sweeping the industry both here and abroad. If we want to keep these design and production management jobs in America, we need to teach this emerging technology.

Requests benefit if **industry support** can be shown. If you can provide members of industry who can link economic needs to your proposal, will accompany us on visits with legislators, and/or will sign letters supporting the project, this will significantly strengthen your request. A strong argument would be if they are having difficulty hiring employees with a specific skill set and the request will meet this need. These employers should be based in New York City, if possible, but must, at a minimum, have a significant presence in New York State.

Please **provide a budget** with your request, showing the various costs with some detail. As the formal funding proposal is developed, the budget will be refined, but an early cost analysis allows a separation of the capital and expense aspects of a project and an understanding of the scale of the request.

Capital vs. Expense

New York City, New York State, and the federal government each have different definitions of what can be funded as *capital* projects and as *expense* projects. Described below are the New York City definitions, which are the most restrictive.

CAPITAL

Capital costs are typically for construction and “things you can touch”.

Examples of NYC capital-eligible projects are constructing a new building, or buying *expensive* equipment or a system of equipment.

- **New York City Adopted Capital Budget**

The Adopted Capital Budget is the final negotiated agreement between the mayor (executive) and the city council (legislature). It includes all capital projects approved by both sides.

- **Construction:**

Building a new building is a capital project. Renovating a lab is not a capital project, unless it is a gut rehab. Furniture, curtains, and supplies usually are not capital costs. The exception to this is in outfitting new construction. When C² is opened, capital funds can be used to pay for furniture and curtains. When, for example, the renovated Broadcast Studio opened, the capital funds provided by government appropriations could not be used for these expenditures.

- **Equipment:**

New York City has a **price threshold** in order for equipment to qualify under capital funding. Each piece of equipment must cost \$35,000, or be part of a “system” that has a minimum cost of \$35,000.

Buying one digital video camera at \$5,000 is not a capital expenditure. Buying several cameras with tripods, editing equipment, and other elements of the “video system” with a total cost of \$35,000 or more does qualify as a capital expense. Budgets must be accurate, since reimbursement is based on the bids received for equipment. If bids come in under \$35,000 for the system, it will not meet the capital threshold and therefore the appropriated capital funds will not be able to be used to purchase this system.

*Please make sure equipment requests are for **items** (a computerized cutter) or **systems** (the video system for the Broadcast Studio) that cost no less than \$35,000.*

- **New York City Capital Funding Threshold:**

Capital funding requests for the Mayor and/or the City Council should total at least \$250,000.

The policy goal driving this rule is to maximize the impact of capital funds, and reserve them for big projects.

EXPENSE

Expense costs are basically everything that doesn’t qualify as capital.

Examples are program costs, training and personnel, most renovation costs (see “construction” above), as well as equipment that does not meet the \$35,000 minimum. Equipment can include desks, chairs, other supplies, lighting, and machinery.

- **New York City Adopted Expense Budget**

The Adopted Expense Budget is the final negotiated agreement between the mayor (executive) and the city council (legislature). It includes all expense projects approved by both sides.